

Arizona State Board for Charter Schools

April 14, 2003

Arizona Department of Education

Room 417

1535 West Jefferson

Phoenix, AZ 85007

MINUTES

Members Present

Onnie Shekerjian – President

Mary Gifford – Superintendent's Designee

George Abarca—Public Member

Sally Kur – Public Member

Kimberly Mosher—Public Member

Paul Smiley—Business Member

Members Absent

Kurt Davis– Vice President

Cookie Goddard – Public Member

Mary Lynn Kelly—Business Member

Senator Linda Aguirre – Advisory

Representative John Huppenthal – Advisory

Representative Ted Carpenter—Advisory

STUDY SESSION

The study session began at approximately 8:30 am.

Kristen Jordison briefed the Board about applicable statutes, legal terms, and board policy on the withholding of 10% of the monthly apportionment of state aid paid to charter schools. Kristen explained the process of withholding and the requirement for the Board's decision to be forwarded for approval to the State Board of Education.

Kristen Jordison reviewed the current application process that had a deadline established of December 13, 2002.

Kristen Jordison outlined the process in which a charter school submits data to the Department of Education for payment for the first few months of the year. The process is directed by statutory language.

Onnie Shekerjian called the meeting to order at approximately 9:00 a.m.

Agenda Item A – Pledge of Allegiance

Agenda Item B – Moment of Silence

Agenda Item C – Roll Call: Traci Sawyer-Sinkbeil called the roll and confirmed a quorum.

Agenda Item D— Superintendent's Report

Superintendent's Designee Gifford informed the Board that Superintendent Horne has assembled groups for policy discussions. One of these groups is focused on charter schools and both Ms. Gifford and President Shekerjian sit on this committee. The first meeting was positive and the Superintendent looks forward to future meetings

Agenda Item E – Executive Director's Report

1. DeAnna Foulds reviewed the New Operator Workshop/Orientation that has been developed and will be held on April 28th. The goal of the workshop is to provide new operators with the resources and information they need to successfully operate their first year.
2. DeAnna Foulds outlined the recommended changes to the new application process. Changes discussed include: Prospective Applicant Workshops, additions to the application (i.e., inclusion of a start-up budget form, more detail on governance structure, & a bibliography page indicating sources of applicant material), a revision to the review process (i.e., restructured scoring rubric & technical review panel), and the establishment of cut scores for applicants to be forwarded to the Board.
3. Kristen Jordison updated the Board on the revisions to the annual financial audit process. Kristen described the recent staff changes from contracting solely with an outside accounting firm to working with an independent CPA and adding in-house staff for financial reviews. Current statute requires charter schools to contract with an independent CPA to conduct a financial statement & compliance audit. A component of this audit is a compliance questionnaire. The staff has assembled an advisory group to provide input into a new compliance questionnaire to meet new statutory requirements. The revised questionnaire and new audit guidelines will be presented to the Board for approval in May or June. Additionally, staff will be reviewing the audits that have been submitted and will be following up on findings as appropriate.

Board Member Smiley made a recommendation to add a compliance matrix to the application that requires each applicant to coordinate each component of the application with a specific page number.

Superintendent's Designee Gifford discussed defining technical assistance and including No Child Left Behind requirements. Additionally, Ms. Gifford wanted clear evidence of the governance structure in the application and for the applicant to have the opportunity to see the committee reviews prior to the Board meeting.

President Shekerjian commented that she would like to see time built into the process that allowed applicants to review comments and re-submit material.

4. Kristen informed the Board that the Study Committees are being developed and an e-mail will go out to invite charter operators to participate.
5. Christy Farley, the Executive Director of the State Board of Education, informed the Board that each of them would be receiving an invitation to this month's Board meeting to discuss the definition of highly qualified teachers & alternative routes to certification. In addition, Ms. Farley informed the Board that the State Board of Education has reviewed the Early Childhood Standards and will move to develop science standards. The Superintendent has announced fluency standards and has asked the Attorney General's Office to provide an opinion on the coordination of Prop. 203 and the charter contract. Ms. Farley assured the Board that they are not forgetting about charter schools when they are concentrating on policy issues.
6. Kristen Jordison introduced Mike Kayes to the new Board members as the liaison between the Charter School Association and this Board.

Agenda Item F – Legislative Update

Michele Diamond distributed a revised legislative tracker that outlines the bills that the staff is tracking. Michele informed the Board that the 2003 budget was resolved and the Board did not incur any additional cuts. Michele reviewed HB 2097 and HB 2098 that both tried to carry the Board's position on increasing the 10% withholding for non-compliant charter schools to 100% but both bills failed.

Agenda Item G– Consent Agenda

1. Chancellor Academies Arizona, LLC dba Chancellor Charter School at West Gilbert—Request for a change in the corporate name and change in ownership of the charter operator.

Nancy Hall, representative for Chancellor, answered questions regarding the governing board members from the Board.
2. Skyview School, Inc.—Request for acceptance of restatement of the Articles of Incorporation for Skyview School, Inc.

President Shekerjian requested that items 1 and 3 be pulled from the Consent Agenda.

Motion made by Paul Smiley to approve item 1 on the Consent Agenda. Motion seconded by Kimberly Mosher.

Motion passes unanimously
(Mary Gifford abstained)

Motion made by Mary Gifford to approve item 2 on the Consent Agenda. Motion seconded by Paul Smiley.

Motion passes unanimously

3. Venture Academy— Request for an extension of opening in the fall of 2003.

Nancy Bennett informed the Board that Venture Academy does have a site this year.

Agenda Item H—Action Items

1. **Discussion and possible action to withhold 10% of the monthly apportionment of state aid from the following schools for non-submission of their annual financial audit for fiscal year 2001-2002.**

Kristen Jordison described the notification provided to the schools regarding when their 2001-2002 audits were due and to whom they should be submitted. All schools were sent a certified letter to inform them of the possible withholding of funds and the date and time of this meeting.

Any school present that wished to speak was provided the opportunity.

John Todd, a CPA for four schools, reported on the status of each audit. Deer Valley Charter School will be complete within two weeks, Life School College Preparatory will be complete in two weeks, Scottsdale Horizons the report will be issued today, and Tri-City Vo/Tech High School will be issued today.

Jacci Hall from Carmel Community Charter School reported that they contracted with their auditor in January.

Lisa Cohne from Sierra Summit reported that they have engaged an auditor and the report may be issued on Friday.

Kathy Edwards from Northern Arizona Academy stated that the audit should be submitted by the end of this week.

John Ferguson from Compass High School state that the audit will be complete by May 31st.

Tim Smith from Carden Elementary, E-Institute, and International Studies stated that the audit would be complete by Wednesday.

Aldene Dickens from North Star stated that she is in the process of selecting an independent

Motion made by Mary Gifford to approve item 3 on the Consent Agenda. Motion seconded by Paul Smiley.

Motion passes unanimously

MOTION

Motion made by Sally Kur to request that the State Board of Education withhold 10% of the monthly apportionment of state aid for the following schools if their audit was not received by May 1st. Motion seconded by Paul Smiley.

Motion passes unanimously
(Gifford abstains)

Academy of Arizona, Inc.
Aprender Tucson
Arizona Call-a-Teen Youth Resources, Inc.
Aztlan Academy, Inc.
Carden Elementary, Inc.
Carmel Community, Inc.
Casa Blanca Middle School
Cesar Chavez Middle School, Inc.
Compass High School, Inc.
Crown Charter School, Inc.
Deer Valley Charter Schools, Inc.
E.A.G.L.E. Academy, Inc.
E-Institute Charter Schools, Inc.
Future Development Education & Performing Arts
International Studies Academy
Ira H. Hayes Memorial Applied Learning Center
Keystone Montessori Charter School
Life School College Preparatory
Luz Social Services, Inc.
Northern Arizona Academy for Career
Development
North Star Charter School, Inc.
Scottsdale Horizons Charter School
Sierra Summit Academy
Tertulia: A Learning Community
Tri-City Vo/Tech High School

MOTION

Motion made by Mary Gifford to request that each school submit an audit or a corrective action plan by May 1st. Motion seconded by Kimberly Mosher.

Motion passes unanimously

auditor now.

Tom Jennings from Casa Blanca Middle School informed the Board that the auditors were at the school today and a report will hopefully be issued by April 28th.

Sharon Sacorous from Ira Hayes hopes that the audit will be submitted in two weeks.

James Shade from Crown stated that they had issues getting information from ABS.

2. Update, discussion and possible action to withhold up to 10% of the monthly apportionment of state aid from the following schools for non-submission of their School Improvement Plans.

a. Global Education Foundation dba Downtown Arts Academy

Dr. Paul Young from the Department of Education reported that Downtown Arts Academy submitted an incomplete plan on April 10th. Dr. Young spoke with Frank DiPietro, the charter operator, on the 10th and advised him that this was incomplete and suggested he work with an outside consultant in the development of the SIP. Dr. Young informed the Board that on April 14th Frank DiPietro provided him with a letter from a consultant stating that a full plan will be submitted by the end of next month. Dr. Young informed the Board that the Department of Education was considering Downtown Arts Academy in compliance.

b. Paramount Academy

Paramount Academy submitted their School Improvement Plan and the Department considers them in compliance.

Linda Proctor Downing in a call to the public on this issue expressed concern about the labeling and School Improvement Plan process to the Board. Ms. Downing was pleased with the efforts of the administration but indicated that the current label of her school will not change.

3. New Applications

a. Harvest Power Community Development Group

Deborah Ybarra and Mario Ybarra answered questions from the Board.

MOTION

Motion made by Sally Kur to accept the application and grant the charter to Harvest Power Community Development Group. Motion seconded by Mary Gifford.

Motion withdrawn

Applicant requests to withdraw the application from consideration.

b. Paulden Middle School

Applicant withdrew the application prior to the Board meeting.

c. RSD Charter School, Inc.

Sandra Davis answered questions from the Board.

MOTION

Motion made by Mary Gifford to accept the application and grant the charter to RSD Charter School, Inc. Motion seconded by Sally Kur.

Motion passes unanimously

d. Technical Vocational High School

Frank DiPietro answered questions from the Board.

MOTION

Motion made by Mary Gifford to reject the application due to the lack of special education expenses in the budget, lack of academic measurement criteria, lack of expenses budgeted for instructional supplies, lack of expenses for connectivity for web based curriculum, and because the budget is contingent upon federal stimulus funds not yet awarded. Motion seconded by George Abarca.

Motion passes unanimously

Agenda Item I. Additional Action Items:

1. **Board Policy**—Kristen Jordison presented information to the Board on a proposed policy to put a hold on the issuance of any funding to a new charter school until the charter has secured the required facility certificates from the municipality in which the school will be providing educational services pursuant to their contract.

Kristen answered questions from the Board.

MOTION

Motion made by Sally Kur to direct the staff to submit a written request to the Arizona Department of Education to hold funding for new charter schools that have signed a charter contract until the school has submitted valid copies of the required certificate of occupancy and fire marshal certificates for their educational facility. Upon receipt and verification of these documents the Board's staff shall submit a written request to the Arizona Department of Education for the appropriate release of funds due to the school. Motion seconded by Mary Gifford.

Motion passes unanimously

2. **Board Policy**—Kristen Jordison presented information to the Board of a proposed policy to define the documentation required for actual registration of students for inclusion in the school's estimated student count.

MOTION

Motion made Mary Gifford to request that each school maintain at a minimum the data elements outlined below for each student that is included in the schools estimated school count as prescribed in A.R.S. 15-

Kristen answered questions from the Board.

185.B.2 and hold open for inspection these records to any representative from the Arizona State Board for Charter Schools and/or the Arizona Department of Education. In addition to the data elements already required by the ADE the registration or enrollment form must include the following: Parent/Guardian Information (Name: First, Middle, Last, Address & Phone: Street, Apartment #, City, State, Zip, Phone Signature on Form) and School Information (School year for which the student is registering, enrolling, or re-enrolling address of site). Motion seconded by Sally Kur.

Motion passes unanimously

Agenda Item J- Discussion of Auditor General's preliminary report of its performance audit to the Board.

This item was tabled for a future agenda.

Agenda Item K— Approval of Minutes:

March 10, 2003

MOTION

Motion made by Mary Gifford to approve the minutes for March 10, 2003. Motion seconded by Sally Kur.

Motion passes unanimously

Sally Kur leaves the meeting.

Agenda Item L—Call to the Public

Margaret Roush-Meier, the Executive Director of the Charter School Association, informed the Board that the Association would be hosting a Charter 101 workshop. In addition, the Association is currently working on three federal grants, an incubator program, an association development grant, and a regional development grant. She wanted to remind the Board of Education Freedom Day and National Charter Schools Week.

Agenda Item M—Adjournment

MOTION

Motion made by Mary Gifford to adjourn the meeting. Motion seconded by George Abarca.

Motion passes unanimously

The meeting adjourned at approximately 2:45 pm

Signature

Date